

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF OKLAHOMA

UNITED STATES OF AMERICA)

Plaintiff,)

v.)

Civil No. 03-CV-203 K (J) ✓

CHARLES R. CHUNG, d/b/a CHUNG'S)
TAX PLUS; PARAKLETOS, L.L.C.;)
PARAKLETOS TRUST; PARAKLETOS)
PROFESSIONAL SERVICES; PARAKLETOS)
PROFESSIONAL SERVICES, L.L.C.; and)
PHIKAR, L.L.C.,)

Defendant.)

FILED

JUL 29 2003

Phil Lombardi, Clerk
U.S. DISTRICT COURT

Preliminary Injunction

This cause comes before the Court on the parties' joint motion for entry of preliminary injunction. The Court, having reviewed the motion, finds that the motion should be granted.

By the joint motion for entry of preliminary injunction, Charles R. Chung, without admitting or denying the allegations in the complaint for permanent injunction, has waived the entry of finding of facts and conclusions of law and has consented to entry of this preliminary injunction without further notice.

ACCORDINGLY, it is ORDERED that:

Charles R. Chung, d/b/a Chung's Tax Plus, Parakletos, Parakletos Professional Services, and Parakletos Professional Services, L.L.C., and all his representatives, agents, employees, and any persons in active concert or participation with him are prohibited from, either directly or indirectly, individually or through any entity;

1. Engaging in any conduct subject to penalty under IRC § 6694 including, but not limited to, preparing any tax forms or other documents to be submitted to the IRS that reflect an abusive trust arrangement;
2. Engaging in any conduct subject to penalty under IRC § 6695 including, but not limited to, failing to include his name and identifying number on a prepared tax return or failing to provide complete client lists or copies of prepared tax returns on demand by the IRS;
3. Engaging in any conduct subject to penalty under IRC § 6701 including, but not limited to, preparing or assisting others in the preparation of any tax forms or other documents reflecting abusive trust arrangements;
4. Providing any samples of tax forms or other documents to third parties to be copied and submitted to the Internal Revenue Service relating to abusive trust arrangements or any other scheme designed to unlawfully reduce federal income tax liability or otherwise hinder or delay the administration of tax laws;
5. Organizing, representing, advertising, or promoting abusive trust arrangements or any other scheme designed to unlawfully reduce federal income tax liability or otherwise hinder or delay the administration of tax laws;
6. Engaging in any other conduct that substantially interferes with the proper administration and enforcement of the internal revenue laws including, but not limited to, any behavior designed to delay the audit of his clients such as submitting frivolous requests for citations to authority or refusing to produce documents for frivolous reasons;
7. Inducing any other person to engage in any of the above-identified conduct;

8. Aiding any other person in the engagement of any of the above-identified conduct; and

9. Representing any individuals or other entities before the IRS on matters relating to abusive trust arrangements.

10. "Abusive trust arrangements" as that term is used in this order includes, but is not limited to, trust arrangements (often referred to as complex trusts) that route income through sham trusts resulting in, for example, reduction or elimination of income subject to tax, deductions for personal expenses paid by the trust, or reduction or elimination of self-employment tax.

11. Charles Chung shall send by regular mail a copy of this preliminary injunction to all of his clients for whom he has prepared a trust tax return (IRS Form 1041) within the past three years and shall file with the Court a certification that he has done so within 30 days of the entry of this order. In addition, Charles Chung shall produce to the United States at the time that he files the certification the names, addresses, phone numbers, and social security numbers and employer identification numbers of these clients and their related trusts to the extent that he has or has access to this information. Charles Chung shall certify to the United States that this production is complete based on the information he has or has access to.

This order shall remain in effect until this Court orders otherwise.

ENTER:

July 22, 2003

Terence C. Kern

TERENCE C. KERN
UNITED STATES DISTRICT JUDGE